



BRITISH COLUMBIA

Members of the Legislative Assembly Pension Plan

For Service Before June 19, 1996



Annual Report
2008

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Roles and Responsibilities

This annual report relates to pension benefits for Members of the Legislative Assembly (MLA) who are entitled to receive a pension for service before June 19, 1996, under Part 2 of the *Members' Remuneration and Pensions Act* (the Act). The annual report also relates to financial reporting within which contributions and interest accumulate and are invested to fund current and future pension benefits under Part 2 of the Act.

The British Columbia Pension Corporation is responsible for administering pension benefits for Members of the Legislative Assembly who are entitled to receive a pension under Part 2 of the Act.

The British Columbia Investment Management Corporation (bcIMC) is responsible for investment management on behalf of the Account.

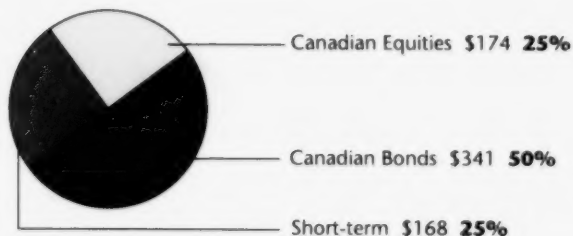
Investments

Investments Held as at March 31, 2008

	Market Value	Asset Mix % Market Value
Short-term	\$168,726	25%
Bonds	340,741	50%
Canadian Equities	173,987	25%
Total Investments	\$683,454	100%
2007 Comparison	\$685,966	

Investments Held (Market Value)

\$ Thousands



Member Services

Members and Contributions

Amendments to the Act in July 1995 closed the pension plan. This means MLAs are not permitted to contribute or accrue benefit entitlements for service after June 19, 1996. Only service before June 19, 1996 affects a member's pension or termination benefits.

MLAs may become plan members by purchasing service before June 19, 1996.

Contributions

\$ Thousands

\$ Thousands

Year ended March 31	Members	Government		Number of Members	
		Regular	Terminal Funding		
2008	-	-	*(43)	2008	9
2007	-	-	-	2007	9
2006	96	96	474	2006	9
2005	96	96	1,046	2005	9
2004	-	-	1,016	2004	10
2003	1	1	-	2003	12
2002	31	31	9,968	2002	12
2001	153	153	202	2001	38
2000	204	204	-	2000	35
1999	214	215	-	1999	31

Terminal funding represents additional funding provided by the province in the year a pension is granted, when the present value of the pensions granted exceeds accumulated assets available to fund those members' benefit entitlements in the account.

*During the year, assets in excess of required terminal funding were refunded to the Province of British Columbia.

Annual Rates for Interest Credited to Contribution Balances (%)

Effective Date	April	October
2007	3.15	3.07
2006	3.05	2.81
2005	2.41	2.52
2004	2.82	2.66
2003	2.99	2.70
2002	3.88	3.60

Termination Benefits

When a member ceases to be an MLA, the member may elect to receive a refund of his or her share of contributions, plus the accumulated interest. Interest is credited to the member's contribution balance semi-annually and compounds semi-annually. The rate of interest is based on Bank of Canada average five-year personal term deposit rates.

Termination Benefits Paid from 1999 to 2008*

Year ended March 31	Amount	Number
2004	\$36,183	1

* In years not identified, there were no termination benefits paid.

Pensions

No new pensions were issued during the year ended March 31, 2008. At the end of the year 123 pensions were in force. Total pensions paid amounted to \$4.5 million (\$4.6 million in 2007).

MLA pensions are paid at the end of each month from the Public Service Pension Plan. The plan pays a full month's pension for the month in which a retired member dies.

The following tables provide an historical overview of MLA pensions issued.

Member Pensions and Transfers to the Public Service Pension Plan 1999 to 2008

\$ Thousands

Year Ended March 31	New Pensions During Year	Pension Terminations	In Force at End of Year	Present Value of Pensions Transferred to Public Service Pension Plan (\$ Thousands)	Inflation Adjustment Contributions Transferred to Public Service Pension Plan (\$ Thousands)
2008	-	1	123	-	-
2007	-	3	124	-	-
2006	4	3	127	1,337	89
2005	3	-	126	1,287	138
2004	2	2	123	1,310	214
2003	-	3	123	-	-
2002	26	2	126	12,964	9
2001	1	1	102	222	42
2000	2	2	102	559	56
1999	1	2	102	188	60

Financial Statements

PENSION CORPORATION

Executive Offices

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PO Box 9460
Victoria BC
V8W 9V8

Location:
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MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

ADMINISTRATOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Members of the Legislative Assembly Superannuation Account (Account) were prepared by the British Columbia Pension Corporation (Pension Corporation), the benefit administrator for the Account. The Pension Corporation is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting policies consistent with generally accepted accounting principles in Canada. Other financial information contained in the Annual Report for the Members of the Legislative Assembly Pension Plan conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, the Pension Corporation maintains the internal controls necessary to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The firm of PricewaterhouseCoopers LLP has been appointed the independent auditor to the Account. The role of the auditor is to perform an independent audit of the financial statements of the Account in accordance with the Canadian generally accepted auditing standards. The resulting audit opinion is set out in the Auditors' Report attached to these financial statements.



BRIAN PEARSON, CGA
Assistant Director, Plan Finance
British Columbia Pension Corporation



LOUISE YOUNG, CA
Chief Executive Officer
British Columbia Pension Corporation

September 4, 2008

September 4, 2008

Auditors' Report

To the Members of the Members of the Legislative Assembly Superannuation Account

We have audited the statement of net assets available for benefits of the **Members of the Legislative Assembly Superannuation Account** as at March 31, 2008 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at March 31, 2008 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2007 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated July 13, 2007.

PriceWaterhouseCoopers LLP

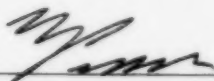
Chartered Accountants

"PriceWaterhouseCoopers" refers to PriceWaterhouseCoopers LLP, an Ontario limited liability partnership, or, as the context requires, the PriceWaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

As at March 31	2008	2007
ASSETS		
Investments (Note 3)	\$ 683,454	\$ 685,966
Cash	2,355	5,509
NET ASSETS AVAILABLE FOR BENEFITS	\$ 685,809	\$ 691,475

All accompanying notes are an integral part of these financial statements.



Brian Pearson, CGA
Assistant Director, Plan Finance
British Columbia Pension Corporation



Louise Young, CA
Chief Executive Officer
British Columbia Pension Corporation

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

For the year ended March 31	2008	2007
INCREASE IN ASSETS		
Investment income (Note 4)	\$ 37,744	\$ 48,586
Terminal funding on pensions granted (Note 5)	-	-
Total Increase in Assets	37,744	48,586
DECREASE IN ASSETS		
Terminal funding adjustment	43,410	-
Total Decrease in Assets	43,410	-
INCREASE (DECREASE) IN NET ASSETS	(5,666)	48,586
NET ASSETS AVAILABLE FOR BENEFITS		
AT BEGINNING OF YEAR	691,475	642,889
NET ASSETS AVAILABLE FOR BENEFITS		
AT END OF YEAR	\$ 685,809	\$ 691,475

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

1. THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

The Members of the Legislative Assembly Superannuation Account (Account) is governed by Part 2 of the *Members' Remuneration and Pension Act* (Act). The Account is administered by the British Columbia Pension Corporation (Pension Corporation).

When a member is granted a pension under Part 2 of the Act, the present value of the amount required to provide his or her future pension benefits is transferred from the Account to the Public Service Pension Fund and monthly pensions are paid from that fund. The Province of British Columbia provides additional funding when the present value of pensions granted exceeds the accumulated assets in the Account available to fund those members' benefit entitlements in the Plan.

a) General

The following brief description of the pension benefits for Members of the Legislative Assembly (MLA) under Part 2 of the Act (the Plan) is provided for general information only. For more information, please refer to the Act. The Act was amended in July 1995 to discontinue the accrual of benefit entitlements under Part 2 after June 19, 1996. Only member service prior to this date is eligible in determining a member's pension or termination benefit. A member's eligibility for a pension or termination benefit is determined using all eligible service as a member.

b) Roles and Responsibilities

The Pension Corporation provides benefit administration services for the Account.

The British Columbia Investment Management Corporation (bcIMC) provides investment management services for the Account.

c) Pension Benefits

A member of the Plan is entitled to a pension after having served seven years or for more than two parliaments and upon:

- ceasing to be an MLA and attaining the age of 55; or
- ceasing to be an MLA and attaining an age plus years of service as an MLA totalling 60 or more years.

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

1. THE MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT (continued)

c) Pension Benefits (continued)

The defined basic benefit plan provides a pension of 5% per year of eligible service, up to a maximum of 16 years service, of the aggregate of the average legislative allowance, special allowance and ministerial salary earned in the highest four years of eligible service as an MLA, and as a minister or specified office holder.

Increases to pension payments may be provided each January 1. These increases are based on the annual increase in the Canada Consumer Price Index (CPI) as at the previous September 30, and are subject to availability of funds.

At January 1, 2008, retired members received a full CPI increase of 2.5% (2007: 0.7%).

d) Termination Benefits

A member of the Plan who ceases to be an MLA may choose between leaving accumulated contributions on deposit or obtaining a refund of contributions with interest.

e) Other Benefits

Survivor benefits are available under the Plan.

f) Income Taxes

The Plan is a Registered Pension Plan as defined in the *Income Tax Act (Canada)* and is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the Account as a separate financial reporting entity, independent of the Account's contributing employer and members.

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments

Investments are stated at fair value and consist of direct ownership in units of pooled investment portfolios. The units of pooled investment portfolios are valued regularly based on the value of the underlying assets. Fair values of those assets are based on public market prices or quotations from investment dealers.

Investment purchases and sales are recorded on the trade date (the date upon which the substantial risks and rewards have been transferred).

c) Investment Income

Income from investments is recorded on the accrual basis and represents pooled investment portfolio income attributable to the Account as a unit holder. Within the pools, dividends are accrued on the ex-dividend date. The current period change in fair value includes realized and unrealized gains and losses which are included in investment income.

d) Use of Estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets during the period. A significant area requiring the use of management estimates relates to the valuation of investments. Actual results could differ from those estimates.

3. INVESTMENTS (FAIR VALUE)

	2008	2007
Short-Term	\$ 168,726	\$ 175,866
Canadian Bonds	340,741	334,602
Canadian Equities	173,987	175,498
	<u>\$ 683,454</u>	<u>\$ 685,966</u>

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

3. INVESTMENTS (FAIR VALUE) (continued)

The Account's investments consist of direct ownership in units of pooled investment portfolios, managed by bcIMC. Each unit gives its holder a proportionate share in the net assets of the pooled investment fund. One or more pooled investment portfolios exist for different types of investments, such as short-term investments, Canadian bonds and Canadian equities.

Short-term investments consist of Canadian money market securities, such as treasury bills, with maturities of 15 months or less. Canadian bonds consist primarily of government bonds. Equities consist primarily of publicly traded shares.

4. INVESTMENT INCOME

	2008		2007	
	Income Allocation	Current Period Change In Fair Value	Total	Total
Short-term	\$ 7,304	\$ 448	\$ 7,752	\$ 6,871
Canadian Bonds	15,190	7,258	22,448	18,394
Canadian Equities	3,462	4,082	7,544	23,321
Investment Income	<u>\$ 25,956</u>	<u>\$ 11,788</u>	<u>\$ 37,744</u>	<u>\$ 48,586</u>

Investment income represents pooled investment portfolio income attributable to the Account as a unitholder and as calculated by bcIMC. All income earned within a pooled investment portfolio is reinvested within the portfolio.

5. RELATED PARTY TRANSACTIONS

a) Transfer to the Public Service Pension Fund

When a member is granted a pension under Part 2 of the Act, the present value of the pension is transferred to the Public Service Pension Fund and monthly benefits are paid from that fund. The province provides additional funding in the year the pension is granted (terminal funding) when the present value of pensions granted exceeds accumulated assets available to fund those members' benefit entitlements in the Plan. During the years ended March 31, 2008 and 2007, no members were granted a pension and no transfers occurred.

As at March 31, 2008, nine members remain with eligibility for a benefit. The estimated amount of the Province of British Columbia's terminal funding obligation is \$2.1 million.

**MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008**

5. RELATED PARTY TRANSACTIONS (continued)

b) Terminal funding adjustment

During the year, excess assets of \$43,410 was refunded to the Province of British Columbia.

c) Administrative Expenses

Administrative expenses relating to the Account were \$5,411 (2007: \$5,963). Administrative expenses are paid by the Office of the Legislative Comptroller.

6. ACTUARIAL VALUATION

An actuarial valuation of the Account is not required by the Act and a valuation has not been performed to date.

7. FINANCIAL INSTRUMENTS

The Account's investments are recorded at fair value. Other financial instruments consist of cash, accounts receivable, and accounts payable. The fair values of these financial instruments approximate their carrying values.

Fair values of investments are exposed to price risk. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

This publication is produced by the
Pension Corporation on behalf of the
Members of the Legislative Assembly Pension Plan.

PENSION
CORPORATION

